

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 005888

64

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00 FEA-01

AEC-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

FPC-01 H-01 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 RSC-01 SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00

FRB-01 /082 R

DRAFTED BY EB/ORF/FSE:WARILEY:MEP

APPROVED BY EB - MR. KATZ

EB/ORF/FSE - LRRACHT

EUR - MR. VINE

----- 113284

O 100151Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA IMMEDIATE

AMCONSUL CALGARY IMMEDIATE

LIMITED OFFICIAL USE STATE 005888

E.O. 11652: N/A

TAGS: ENRG

SUBJECT: POTENTIAL CANADIAN CURTAILMENT OF NATURAL GAS
EXPORTS

1. REVISED FEA DOMESTIC CRUDE ALLOCATION PROGRAM EX-
CLUDES PLANT CONDENSATE (A LIQUID HYDROCARBON BY-PRODUCT
OF NATURAL GAS PROCESSING CURRENTLY TREATED AS CRUDE OIL
BY NEB AND US OIL IMPORT PROGRAM) FROM CRUDE OIL IMPORT
ENTITLEMENT SCHEME. LEASE CONDENSATES WHICH ARE LIQUID
HYDROCARBON NATURALLY HELD IN SUSPENSION IN CRUDE OILS
ARE INCLUDED UNDER CRUDE OIL DEFINITION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 005888

2. AS CURRENTLY DRAFTED, US CRUDE EQUALIZATION PROGRAM

PERMITS IMPORTERS TO EARN ENTITLEMENTS BASED ON CRUDE IMPORTS. SEVERAL NORTHERN TIER REFINERS USE PLANT CONDENSATE/CRUDE OIL MIXTURE IN RUNS TO STILL. FEA'S EXCLUSION OF PLANT CONDENSATE FROM DEFINITION OF CRUDE OIL UNDER CRUDE EQUALIZATION PROGRAM EXPECTED TO DECREASE US REFINERS DEMAND FOR PLANT CONDENSATE.

3. CANADIAN GOVERNMENT OFFICIALS HAVE WARNED THAT INSUFFICIENT PLANT CONDENSATE STORAGE CAPACITY AT GAS PROCESSING PLANTS COULD FORCE CURTAILMENT OF NATURAL GAS PRODUCTION SINCE PROLONGED REINJECTION OF CONDENSATE HARMFUL

TO RECOVERY. GOC HAS FURTHER WARNED THAT ANY RESULTING NATURAL GAS SHORTAGES WILL BE BORNE ENTIRELY BY US.

4. DEPARTMENT HAS LEARNED THAT DUE TO DECREASED US DEMAND, ALBERTA ENERGY RESOURCE CONSERVATION BOARD (ERCB) HAS DECIDED TO CURTAIL PRODUCTION OF PLANT CONDENSATE BY 25 THOUSAND BARRELS PER DAY (MBD) AND IS STUDYING IMPLICATION OF THIS ACTION FOR NATURAL GAS PRODUCTION. NATURAL GAS YIELDS OF PLANT CONDENSATE EQUAL ROUGHLY ONE BARREL FOR EVERY 25 TO 50 THOUSAND CUBIC FEET (MCF) OF NATURAL GAS PROCESSED.

5. FOR OTTAWA: FEA IS CONSIDERING CONSEQUENCES OF DECISION TO EXCLUDE PLANT CONDENSATE FROM CRUDE OIL ALLOCATION PROGRAM. REQUEST YOU CONTACT NEB FOR ASSESSMENT OF MAGNITUDE AND PROBABLE TIMING OF ANY POTENTIAL NATURAL GAS SHUT-IN, AND REPORT SOONEST.

6. FOR CALGARY: PLEASE FOLLOW DEVELOPMENTS CLOSELY AND REPORT ERCB VIEWS ON LIKELY IMPACT OF DECREASED PLANT CONDENSATE EXPORTS ON NATURAL GAS PRODUCTION. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, EXPORT CONTROLS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE005888
Document Source: CORE
Document Unique ID: 00
Drafter: WARILEY:MEP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750009-1025
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750161/aaaacbob.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAY 2003 by SmithRJ>; APPROVED <16 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POTENTIAL CANADIAN CURTAILMENT OF NATURAL GAS EXPORTS
TAGS: ENRG, CA
To: OTTAWA CALGARY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006